

Wellspring™ - Wind Energy



8th National Green Power Marketing Conference
Chicago, Illinois
November 3, 2003



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ENERGY

A Touchstone Energy™ Cooperative



GRE Background

- G & T Cooperative- provide wholesale electricity to 28 distribution cooperatives
- Headquartered in Elk River, MN
- 550,000 meters/1.5 million people served in MN and NE WI
- 2361 MW peak in summer 2003
- Growing at 3-4% per year



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Wellspring™ - The Beginning...

- 1996 Member survey
 - 2/3rds indicated a desire to purchase renewable wind energy
 - 1/3rd showed some willingness to pay more if it cost more
 - Of those willing to pay more, about 1/2 would pay from \$5.00 to \$15.00 more per month



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Wellspring™ Overview

- First utility system in five-state region to offer customers green-pricing option
- Customer's option to purchase wind energy
- Purchase in 100 kWh blocks
- One-year subscription with automatic renewal
- Approximately \$1.50 per 100 kWh block per month.



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Initial Wellspring™ Marketing

- Marketed second half of 1997
- Each member co-op responsible for marketing
- GRE assisted with a array of marketing tools
- Partnered with environmental group to develop and market program initially--new concept & wanted their full support
- Phase I completely sold out prior to groundbreaking!



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WellspringTM Marketing Results

- Phase I
 - 2 MW wind capacity commissioned in February 1999
 - Over 4,200 blocks of wind energy sold
 - Approximately 1,500 customers
 - Average approximately 3 blocks per customer



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Wellspring™ Sales

- Continued interest and support
 - Waiting lists
- Added 4 MW in December 2001
- As of September 2003:
 - 3,561 cooperative members
 - 1.25 million kWh/month
 - Approx. 3 blocks/customer



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Wellspring™ - Wind Resources

- Chandler, MN
 - Nine Vestas (Denmark), 660 kW turbines
 - Online Feb. '99 & Dec. '01
 - All resources “green pricing” certified in MN & WI
- Dodge Center, MN
 - Six NEG Micon (Denmark), 950 kW turbines
 - Online Feb. '03
- Jackson County
 - Six Suzlon (India) 950 kW turbines
 - Online end of 2003



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Wellspring™ - Wind Resources

- All resources gained through Power Purchase Agreements (PPA)
- 15-year term
- Developer – land acquisition, finance, construction, interconnection, operation & maintenance
- Green Tags to GRE



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Green Pricing Wind Resources

- Build to consumer demand or build “long”?
 - Consider the Pros & Cons



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Promotional Efforts

- Brochure
- CFL Promotion
- Tours
- Website
- Displays
- Newsletter



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New Wellspring™ Brochure

- Benefits
- Education
- Wellspring Specifics
- Testimonials
- Customized sign-up insert



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CFL Giveaway

- Compact fluorescent light giveaway to new or additional Wellspring customers
 - 2003 promotion
 - 1,000 additional subscribers
 - GRE supported the promotion (\$)
 - Niagara Conservation - fulfillment



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The energy behind Wellspring® Wind Energy...

Wellspring is about cooperation; and about cooperatives. Available to more than 500,000 customers of 29 electric cooperatives throughout Minnesota and Wisconsin, Wellspring is a renewable energy choice that helps reduce air pollution and build new wind turbines.

The power supplied to these cooperatives—including wind energy—comes from

Great River Energy, an electric cooperative headquartered in Elk River, Minnesota. This partnership between the 29 electric cooperatives and Great River Energy is the foundation

for Wellspring. A program as much about our own well-being as the well-being of the planet.



WELLSPRING® WIND ENERGY


P.O. Box 800
Elk River, MN 55330

You have the power
to change the world
for the better.



WELLSPRING® WIND ENERGY



SIGN UP NOW and receive
a **FREE**  **compact
fluorescent light bulb!**

Compact fluorescents reduce energy use by at least 60%. In fact, if you replace a standard light bulb with a compact fluorescent, you'll save more than \$30 over the life of the bulb! Become a Wellspring member now and you'll receive one FREE compact fluorescent light bulb.

Hurry, this is a special limited time offer!

**YES! Clean air and wind power
is important to me. Make me a
WELLSPRING® member today!**

I'd like to buy _____ 100 kilowatt-hour block(s) of
wind energy per month. Each energy block costs
\$_____ will be filled in with the exact price
offered by each of the 29 co ops.)

Name: _____
Address: _____
City: _____
State: _____ Zip: _____
Daytime phone: (____) _____
Evening phone: (____) _____
Email address: _____

I understand that my commitment is for one year and will continue on an annual basis until I notify you in writing to end my participation in the Wellspring Program. I also understand that no charges will be made to my account until wind power becomes available.

Signature: _____
Date: ____/____/____



Your Community Energy Partner



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Chandler Hills Tour

- Annual tour of wind plants
 - 600 people attended 3 tours in 2003
 - Promote Wellspring in conjunction with tour
 - Creates awareness/sense of ownership
 - GRE coordinates with developer and members



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Chandler Hills Tour



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Wellspring Messenger

- Quarterly publication with testimonials, performance information, etc.
 - Keep interest in the program
 - GRE provides
- Wellspring marketing materials
 - GRE provides updated information
 - Members responsible for deciding how to use



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The WELLSPRING

M e s s e n g e r

Summer 2002

Chandler Hills production

The Chandler Hills Wind Farm has been generating electricity for electric co-op members since 1999. Here's a look at the electricity produced since this past January.

Month	kWh Output
Jan.	1,941,386
Feb.	2,660,797
March	1,923,609
April	2,321,406
May	2,036,678
June	2,048,934

Learning about wind energy

Great River Energy directors tour Chandler Hills Wind Farm

Great River Energy directors traveled to the Chandler Hills Wind Farm in southwest Minnesota for a lesson in wind power. Weather conditions were perfect for the tour. Wind speed was 26 mph, and all nine turbines were operating at full capacity, each generating 660 kilowatts of electricity.

U.S. wind power installation in 2001 doubled over the previous record year of 1999. Minnesota is

now the fourth largest wind energy generating state, trailing right behind Iowa. California leads the nation in wind power generation followed by Texas. About 425 commercial windmills in Minnesota produce up to 320 megawatts (MW) of electricity. Another 220 MW are being built or are proposed. Most of the wind generators are along the Buffalo Ridge in southwestern Minnesota.



Great River Energy directors travel to the Chandler Hills Wind Farm.

Wind energy production tax credit extended; windy counties ask for more

Earlier this spring, President Bush signed into law a slimmed-down economic stimulus and unemployment insurance bill that contained a two-year extension of the wind energy production tax credit. The credit, which had expired December 31, 2001, was extended retroactively from that date to December 31, 2003.

"The very popular production tax credit makes building wind generators more economical," says Bob Ambrose, Great River Energy manager of governmental affairs. "It provides a break for generating electricity from the

wind, making wind power more competitively priced."

Meantime, Minnesota's windy counties pushed for a 2.2 mills per kilowatt-hour production tax on new wind generation that would help refill county and township coffers. This new production tax ended up ranging from 0.12 mill per kilowatt-hour to 1.2 mill per kilowatt-hour, depending on the size of the wind generation project. The new tax replaces the current real and personal property tax on wind generation systems. The land on which the generators sit remains subject to real estate taxes.

In This Issue

Wind demand grows

Personal commitment

A new wind record



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Additional Efforts

- Website
 - GRE has information on website
 - Many member websites linked to GRE
- Annual meetings of members
 - GRE provides Wellspring booth and 6' model turbine
 - Members and GRE staff booth
- Sustained campaign
 - Not a one-shot effort
 - Best results when continuous promotion





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Finally...

- Low-price
 - Keeping price low important
 - NREL continues to rank Wellspring in top 10 lowest cost
 - Premium going down as wholesale rate increase
- GRE believes it can reach higher subscriber %



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Conclusions

- Green-pricing was an important first step into wind for GRE
- Provides option to customers that want up to 100% energy from wind
- Need sustained marketing campaign to attract new customers and retain existing customers
- GRE will continue to refine marketing



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Questions ?



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